

Message Text

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ACTION ARA-10

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 9829

C O N F I D E N T I A L CARACAS 8443

E.O. 11652: GDS

TAGS: ELAB VE

SUBJECT: DIEGO ARRIA INTERVENES IN BUS STRIKE: ALIENATES

ORGANIZED LABOR AND THE LABOR MINISTER

1. THE TRANSPORTATION WORKERS UNION, WHICH REPRESENTS THE CARACAS CITY BUS DRIVERS, SIGNED A NEW CONTRACT WITH THE OWNERS ON JUL 31. THE NEW CONTRACT, SIGNED BY THE PRESIDENT OF THE TRANSPORT WORKERS, ACCION DEMOCRATICA (AD) SENATOR HUMBERTO HERNANDEZ, WHILE PROVIDING FOR SUBSTANTIAL INCREASES IN WAGES AND FRINGE BENEFITS, DID NOT MEET THE INITIAL DEMANDS OF THE BUS DRIVERS. HERNANDEZ CLAIMED THAT THE CONTRACT WAS THE BEST OBTAINABLE UNDER THE CIRCUMSTANCES AND THAT THE FINAL REDUCTION IN UNION DEMANDS WAS MADE AT THE PERSONAL REQUEST OF PRESIDENT PEREZ. MINISTER OF LABOR, ANTONIO LEIDENZ, PERSONALLY CONDUCTED THE LAST ROUND OF NEGOTIATIONS, ACTING AS A MEDIATOR BETWEEN THE TWO SIDES.

2. ON AUG 4 DISSIDENT DRIVERS ON 5 OF THE 50 ODD BUS LINES WHICH SERVE GREATER CARACAS STAGED A WILDCAT STRIKE DURING THE EVENING RUSH HOUR LEAVING SEVERAL TENS OF THOUSANDS STRANDED IN DOWNTOWN CARACAS. GOVERNOR OF THE FEDERAL DISTRICT, DIEGO ARRIA WENT TO THE TERMINALS AND PROMISED THE STRIKING DRIVERS THE SETTLEMENT WOULD BE REEXAMINED IF THEY WOULD RETURN TO WORK. THE DRIVERS, MOST OF WHOM BELONG TO OPPOSITION POLITICAL, PARTIES AGREED. IN THE COURSE OF THE LAST WEEK ARRIA HELD SEVERAL

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MEETINGS WITH THE DISSIDENT DRIVERS AND SWEETENED THE SETTLEMENT

SUBSTANTIALLY BY IMPROVING THE FRINGE BENEFITS AND SHORTENING THE TIMETABLE OF BONUS PAYMENTS NEGOTIATED IN THE ORIGINAL CONTRACT. ARRIA GAINED THE ACQUIESCENCE OF THE OWNERS TO THESE NEW ARRANGEMENTS BY DIPPING INTO THE PUBLIC COFFERS FOR FINANCIAL ASSISTANCE.

3. BOTH THE LABOR MINISTER AND THE AD LEADERSHIP OF THE CONFEDERATION OF VENEZUELAN WORKERS (CTV) ARE FURIOUS WITH ARRIA FOR HAVING BECOME INVOLVED AND FOR HAVING UNDERCUT THEIR AUTHORITY. ONE CARACAS NEWSPAPER, EL UNIVERSAL, REPORTED THE MORNING OF AUG 15 THAT THE LABOR MINISTER HAS RESIGNED OVER THE ISSUE (SEE SEPTTEL).

THE PRESIDENT OF THE CTV, JOSE VARGAS, CONFIDENTIALLY INFORMED THE LABOR ATTACHE THAT QUOTE IF ARRIA WANTS TO PLAY THAT GAME WE CAN PLAY TOO. THE GARBAGE COLLECTORS CONTRACT AND THE CONTRACT FOR THE MUNICIPAL HOSPITALS ARE COMING UP AND I DON'T CARE WHAT KIND OF AN OFFER HE (ARRIA) MAKES -- WE ARE GOING TO STRIKE THE (EXPLETIVE DELETED) OUT OF HIM. END QUOTE

4. COMMENT: REGARDLESS OF THE MERITS OF ARRIA'S INTERVENTION IN THE BUS DRIVERS WILDCAT STRIKE, HE HAS SERIOUSLY WEAKENED HIS POSITION WITH THE POWERFUL LABOR FACTION OF AD (FOUR OF NINETEEN SEATS ON THE AD CEN) AND WITH MINISTER OF LABOR LEIDENZ WHO IS A PAST PRESIDENT OF THE AD PARTY AS WELL AS OF THE CHAMBER OF DEPUTIES. SHLAUDEMAN

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